

3/4

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	February 28, 2010
Estimated average burden	
hours per response...	12.00



08026952

**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

SEC FILE NUMBER

8-65864

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/07 AND ENDING 12/31/07  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Seaview Securities, LLC

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

117 East 55<sup>th</sup> Street

(No. and Street)

New York

New York

10022

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Mark K. Goodman

516-542-6300

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Weiser LLP

(Name - if individual, state last, first, middle name)

3000 Marcus Avenue

Lake Success

NY

11042-1066

(Address)

(City)

(State)

800

(Zip Code)

CHECK ONE:

☒ Certified Public Accountants

☐ Public Accountant

☐ Accountant not resident in United States or any of its possessions

MAR 07 2008

THOMSON  
FINANCIAL

Mail Processing  
Section

FEB 26 2008

FOR OFFICIAL USE ONLY.

Washington, DC  
100

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

55

## OATH OR AFFIRMATION

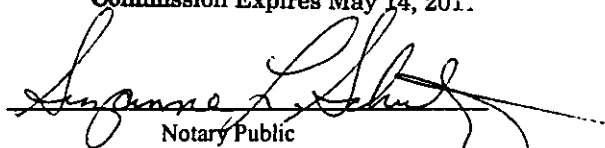
I Joseph Dougherty, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Seaview Securities LLC, as of December 31, 2007, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

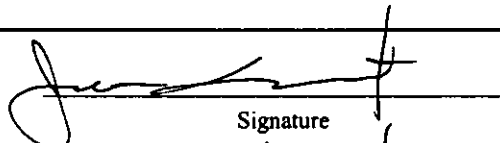
\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Suzanne L. Schuch  
Notary Public, State of N.Y.  
No. 01SC6165675  
Qualified in New York County  
Commission Expires May 14, 2011.

  
Notary Public

  
Signature  
Managing Director  
Title

This report \*\* contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Cash Flows.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☒ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☒ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.
- ☒ (o) Independent Auditors' Report on Internal Accounting Control.

**\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).**

# Seaview Securities LLC

## Contents

December 31, 2007

---

	Page(s)
<b>Independent Auditors' Report</b> .....	1
<b>Financial Statements</b>	
Statement of Financial Condition .....	2
Statement of Operations.....	3
Statement of Cash Flows .....	4
Statement of Changes in Members' Equity .....	5
Notes to Financial Statements.....	6-8
<b>Supplementary Information</b>	
Schedule I	
Computation of Net Capital	
Under Rule 15c3-1 of the Securities and Exchange Commission.....	9
Schedule II	
Computation of Determination of Reserve Requirements	
Under Rule 15c3-3 of the Securities and Exchange Commission.....	10
Schedule III	
Reconciliations	
Under Rule 17a-5(d)(4) of the Securities and Exchange Commission .....	11
<b>Independent Auditors' Report on Internal Accounting Control</b> .....	12 - 13

**SEAVIEW SECURITIES LLC**

**117 East 55<sup>th</sup> Street  
New York, NY 10022**

\*\*\*\*\*

**STATEMENT OF FINANCIAL CONDITION**

**DECEMBER 31, 2007**

\*\*\*\*\*

**Seaview Securities LLC**  
**Statement of Financial Condition**  
**December 31, 2007**

---

**Assets**

Cash and cash equivalents	\$ 90,847
Securities owned, marketable at market value	994,596
Securities owned, not readily marketable, at fair value	89,052
Receivable from brokers, dealers and clearing organization	51,828
Property and equipment, net	1,813
Other assets	<u>28,553</u>

<b>Total assets</b>	<b>\$ <u>1,256,689</u></b>
---------------------	----------------------------

**Liabilities and Members' Equity**

**Liabilities**

Accrued expenses and other liabilities	<u>\$ 159,272</u>
--	-------------------

**Commitments**

**Members' equity**

Total members' equity	<u>1,097,417</u>
-----------------------	------------------

<b>Total liabilities and members' equity</b>	<b>\$ <u>1,256,689</u></b>
--	----------------------------

The accompanying notes are an integral part of this financial statement.

**Seaview Securities LLC**  
**Notes to Financial Statement**  
**Year Ended December 31, 2007**

---

**1. Organization**

Seaview Securities LLC (the "Company") is a Delaware Limited Liability Company that was formed on February 3, 2003. Effective September 4, 2003, the Company commenced operations as a broker-dealer registered with the Securities and Exchange Commission (the "SEC") and became a member of the Financial Industry Regulatory Authority ("FINRA"). The Company's business, for which it earns fee income, is comprised of private placement transactions and acting as a financial and/or strategic advisor to public and private companies, with its primary focus in the life sciences industry.

The Company entered into a clearing agreement in December 2004, and was subsequently approved to act as an underwriter, by FINRA.

**2. Summary of Significant Accounting Policies**

**Cash Equivalents**

The Company considers all money market accounts, time deposits and certificates of deposit purchased with original maturities of three months or less to be cash equivalents.

**Income Taxes**

The Company is treated as a partnership for Federal and New York State income tax purposes. Consequently, the Company is not subject to Federal and State income taxes. Members are liable for their distributive shares of the Company's income and losses. However, the Company is subject to New York City unincorporated business tax.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

**Property and Equipment**

Fixed assets are stated at cost and are depreciated using the straight-line method over their estimated useful lives. The Company's fixed assets consist of computer equipment, which is being depreciated over a useful life of three years. At December 31, 2007, the cost and accumulated depreciation of these assets is \$46,906 and \$45,093 respectively.

**Seaview Securities LLC**  
**Notes to Financial Statement**  
**Year Ended December 31, 2007**

---

**3. Securities Owned**

Securities owned are classified as trading securities and are valued at quoted market prices with the resulting unrealized gains and losses reflected in the statement of operations.

Securities not readily marketable include investment securities (a) for which there is no market on a securities exchange or no independent publicly quoted market, (b) that cannot be publicly offered or sold unless registration has been effected under the Securities Act of 1933, or (c) that cannot be offered or sold because of other arrangements, restrictions, or conditions applicable to the securities or to the Company.

During November 2005, as compensation for services rendered to diaDexus Inc., the Company was given common stock warrants to purchase Series E Preferred Stock. During October 2006, as compensation for services rendered to VaxInnate Inc., the Company was given common stock warrants to purchase Series C Preferred Stock. During November 2007, as compensation for services rendered to Topaz Pharmaceuticals Inc., the Company was given common stock warrants to purchase Series A Preferred Stock. The Company has recorded the warrants at fair value, which was determined by management to be \$10,512, \$28,500 and \$50,040 at December 31, 2007 for diaDexus, VaxInnate and Topaz respectively.

**4. Net Capital Requirements**

The Company is subject to the uniform net capital requirements of rule 15c3-1 of the Securities and Exchange Commission, as amended, which requires a broker-dealer to have, at all times, sufficient liquid assets to cover indebtedness. In accordance with the rule, the Company is required to maintain defined minimum net capital of the greater of \$100,000 or 1/15 of aggregate indebtedness.

At December 31, 2007, the Company had net capital, as defined, of \$905,504, which exceeded the required minimum net capital of \$100,000 by \$805,504. Aggregate indebtedness at December 31, 2007 totaled \$159,272. The ratio of aggregate indebtedness to net capital was 0.18 to 1.

**5. Off-Balance-Sheet Risk and Concentration of Credit Risk**

In the normal course of business, the Company's customer activities involve the execution, settlement and financing of various securities transactions. These activities may expose the Company to off-balance-sheet credit risk in the event the customer or other party is unable to fulfill its contractual obligations.

From time to time, the Company maintains cash at a bank in excess of FDIC insured limits and is exposed to the credit risk resulting from this concentration.

**Seaview Securities LLC**  
**Notes to Financial Statement**  
**Year Ended December 31, 2007**

---

**6. Commitments**

**Lease**

The Company leases office space, including furnishings, fixtures, and equipment. The lease calls for monthly rent of \$7,500 and other miscellaneous charges, as stipulated in the lease. The lease, which does not call for rent escalations, expires on June 30, 2008 with the option of renewal by the tenant and the landlord within six months of the expiration date.

In February 2008, the Company signed a new lease beginning July 1, 2008 through June 30, 2011.

A schedule of future minimum annual rental payments due is as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Amount</u>
2008	\$ 94,350
2009	97,800
2010	100,800
2011	<u>51,000</u>
	<u><b>\$ 343,950</b></u>



\*\*\*\*\*

The Company's Statement of Financial Condition as of December 31, 2007 is available for examination at the office of the Company and at the Regional Office of the Securities and Exchange Commission.

\*\*\*\*\*

### **Independent Auditors' Report**

To the Members  
Seaview Securities LLC

We have audited the accompanying statement of financial condition of Seaview Securities LLC, (the "Company"), a limited liability company, as of December 31, 2007, that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of Seaview Securities LLC as of December 31, 2007, in conformity with accounting principles generally accepted in the United States of America.

*Weese UP*

Lake Success, NY  
February 11, 2008

**END**